

Message Text

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ORIGIN EB-08

INFO OCT-01 ARA-10 EA-10 NEA-10 IO-13 ISO-00 STR-07
LAB-04 COME-00 TRSE-00 SIG-03 AGRE-00 CEA-01
CIAE-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03
NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15 ITC-01
USIA-06 SP-02 SOE-02 OMB-01 DOE-11 /138 R

DRAFTED BY EB/OT/STA:T O'HERRON, J S SPIRO:CMS
APPROVED BY EB/OT/STA:J S SPIRO
STR:M POMERANZ
LABOR:R SCHULMAN
COMMERCE:K KUWABARA
TREASURY:J SCHOTT

-----045440 100150Z /14

P R 092318Z MAR 78
FM SECSTATE WASHDC
TO ALL OECD CAPITALS PRIORITY
INFO AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
USMISSION GENEVA
AMEMBASSY MEXICO
AMEMBASSY NEW DELHI
AMEMBASSY SEOUL
AMEMBASSY TAIPEI

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USMTN, USOECD ALSO FOR EMBASSY

E.O. 11652: N/A

TAGS:ETRD

SUBJECT:TESTIMONY FOR HEARING ON "BUY AMERICA" BILL

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1. THIS CABLE IS TO REQUEST POSTS' ASSISTANCE TO EXECUTIVE
BRANCH AGENCIES IN PREPARING TESTIMONY FOR SENATE HEARING,
NOW SET FOR MARCH 23, ON S. 2318, THE "BUY AMERICAN
AMENDMENTS OF 1977." (AN IDENTICAL MEASURE, H.R. 9427, IS
PENDING IN THE HOUSE.) THE ADMINISTRATION OPPOSES ENACT-
MENT OF S. 2318, AND SEVERAL AGENCIES WILL SEND REPRESENTA-
TIVES TO TESTIFY AGAINST IT. THE PROPOSED LEGISLATION

WOULD SET THE MINIMUM BUY AMERICAN DIFFERENTIAL AT 15 PERCENT RATHER THAN 6 PERCENT AS IT IS UNDER THE CURRENT REGULATIONS; PERMIT INDIVIDUAL FEDERAL AGENCIES TO SET THE DIFFERENTIAL FOR THEIR OWN PURCHASES AT UP TO 50 PERCENT; DEFINE "DOMESTIC" AS ANY ARTICLE WITH LESS THAN 25 PERCENT ATTRIBUTABLE TO FOREIGN COMPONENTS RATHER THAN THE CURRENT 50 PERCENT TEST, ETC.

2. WHILE WE ARE WELL AWARE OF BUY NATIONAL POLICIES PRACTICED BY OUR TRADING PARTNERS (NEGOTIATIONS IN THE MTN ON A GOVERNMENT PROCUREMENT CODE ARE DIRECTED AT THIS PROBLEM), WE NEVERTHELESS BELIEVE THAT THERE MAY STILL BE A CONSIDERABLE AMOUNT OF FOREIGN GOVERNMENT PROCUREMENT OF

S. GOODS WHICH COULD BE JEOPARDIZED IF THE U.S. IMPOSES FURTHER BUY AMERICAN RESTRICTIONS.

3. WE THEREFORE WOULD APPRECIATE IT IF ADDRESSEE POSTS COULD REPORT EXAMPLES OF SIGNIFICANT RECENT PROCUREMENT OF U.S. PRODUCTS BY HOST GOVERNMENTS OR ENTITIES CONTROLLED BY THE GOVERNMENTS. EMBASSY ESTIMATES OF TOTAL VALUE OF PURCHASE OF U.S. PRODUCTS BY HOST GOVERNMENTS IN RECENT YEARS WOULD BE WELCOMED.

4. THE "BUY AMERICA" LEGISLATION HAS CONSIDERABLE SUPPORT IN CONGRESS THEREFORE EVIDENCE THAT THE U.S. RISKS THE LIMITED OFFICIAL USE

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LOSS OF SALES BY FURTHER GOVERNMENT PROCUREMENT RESTRICTIONS WOULD BE USEFUL.

5. PLEASE REPORT BY MARCH 16. VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
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Concepts: US CONGRESSIONAL HEARINGS, AMENDMENTS, BUY AMERICAN, LEGISLATIVE BILLS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: T O\HERRON, J S SPIRO:CMS
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Executive Order: N/A
Errors: N/A
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Format: TEL
From: STATE
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ISecure: 1
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Litigation Codes:
Litigation History:
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Original Previous Classification: n/a
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Review Exemptions: n/a
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Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
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TAGS: ETRD, PGOV
To: OECD POSTS BRASILIA MULTIPLE
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Review Markings:
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